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02 February 2018

Hon Justice Rachel Pepper  
Chair  
Scientific Inquiry into Hydraulic Fracking  
GPO Box 4396  
DARWIN NT 0801

Dear Justice Pepper

#### **SUBMISSION ON DRAFT FINAL REPORT**

On behalf of the Chamber of Commerce NT (CCNT), thank you for the opportunity to comment on the Draft Final Report of the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory.

As you are aware, the CCNT is the largest employer organisation in the Northern Territory with approximately 1300 company members. The majority of our members are Small to Medium Enterprises which we genuinely consider are the heart and soul of our local economy. The CCNT has been in operation since 1957 and it has been a fact of life that our economy has been heavily reliant on resource and energy projects to drive economic growth in the Northern Territory. At a time when our local economy is flat, as the construction of the mega INPEX project draws to a close, many in the Northern Territory business community have high expectations that the development of a sustainable on-shore gas industry can drive further economic growth and arrest the population drain over the coming decade.

As previously expressed to your Inquiry, from our members' perspective, we are hopeful that the outcome will be a green light for onshore gas to proceed within a sustainable and environmentally friendly manner. If this is the outcome, we would like some reassurance that any royalties from onshore gas will flow immediately to the NT Government based on the number of kilojoules of energy extracted – and not depend on the companies involved reaching a profitable phase. We also urged the Inquiry to challenge the gas companies to maximise local involvement and demonstrate how they are going to be socially responsible and avoid a FIFO workforce. We have previously commented on the disadvantaged position in which the Northern Territory is placed in comparison with Queensland and South Australia when attracting investment in the shale gas and associated industries.

## **Additional Information**

In February 2017 and in January 2018, CCNT surveyed its members to ascertain what they considered were the major issues facing NT Business. Both surveys confirmed that business considers we are in a stagnating economy with many of our companies looking to downsize or even close during 2018. These survey results are consistent with the recent CommSec State of the States Report that shows the NT lags all other State/Territory economies on six of its eight indicators.

Going forward, there was a clear message from our members that they believe the development of a sustainable onshore gas industry is critical to the economic future of the Northern Territory and would like to see it commence as soon as possible. Importantly, the development of this industry offers to generate much needed employment and business opportunities in some of our regional and remote areas, as outlined by the report by ACIL ALLEN, which we hold to be a conservative view of the economic impacts of the industry.

We are pleased that the Draft Final Report concludes that "... the challenges and risks associated with any onshore gas industry in the NT are manageable ...." (p50 Summary of Draft Final Report). And we will naturally be emphasising this point to our political leaders.

We are also aware that a number of other industry bodies (such as the Darwin Major Business Group) have also provided detailed feedback on various recommendations and rather than repeat them here – they generally reflect our views as well.

Like others, we are supportive of many of the Inquiry's draft recommendations, but we do have issues with others that, if implemented, will have the unintended consequence of preventing any commercially sustainable development of our onshore gas industry.

For example, Recommendation 14.9 – any person may lodge an objection to the proposed grant of an exploration permit. This potentially opens a can of worms for parties that are singularly against any onshore gas development per se to delay and stymie commercial proposals (regardless of the scientific evidence provided)

Another example is Recommendation 14.29 - That the Government consider enacting provisions that reverse the onus of proof or create rebuttable presumptions for pollution and environmental harm offences for all regulated onshore shale gas activities. Once again, this provides an opportunity for vexatious parties to stall any commercial development to a point where the commercial proponent has no choice but to look elsewhere to invest.

Recommendation 14.29 also reflects a number of other Recommendations contained in the Draft Final Report that seem to unfairly discriminate solely against the gas industry – and are not applied to any other industry sector regardless of the fact that they may have similar environmental impacts.

## Summary

The local business community is clearly supportive of the development of a sustainable onshore gas industry within the Northern Territory and believes this is a critical aspect for our economic future.

We agree with the Inquiry's draft finding that "... the challenges and risks associated with any onshore gas industry in the NT are manageable ..... And we will naturally be emphasising this point to our political leaders.

Like others, we are supportive of many of the Inquiry's draft recommendations, but we do have issues with others that, if implemented, will have the unintended consequence of preventing any commercial sustainable development of our onshore gas industry.

Emphasis must be given to developing and implementing an appropriate and pragmatic regulatory framework - that achieves the sustainability outcomes whilst also enabling feasible projects to be assessed in a realistic commercial timeframe.

Yours faithfully



Greg Bicknell  
Chief Executive Officer